BUDGET
1983-84

Speech of

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Minister for Finance

Masi 21, Thunthubi, Thiruvalluvar Aandu-2014
5th March 1983

Speech of Thiru V. R. Nedunchezhiyan, Minister for Finance, Government of Tamil Nadu, presenting the Budget for 1983–84 to the Legislative Assembly on 5th March, 1983, Masi 21, Thunthubi, Thiruvalluvar Aandu-2014.

Hon'ble Speaker Sir,

I rise to place before the House the Revised Estimate for 1982–83 and the Budget Estimate for 1983–84, for the approval of the House.

" Within this widest world begirt with wide sea, if the rain
Should fail, would famine stalk aboard and torment
it with pain "

" If rain deceives, the famine would torment the vast world with pain even though it is surrounded by wide sea."

This is the worldly truth clearly said by Saint Thiruvalluvar.

2. As a result of the failure of the monsoons last year followed by another failure this year, the State is facing a problem of scarcity of food, drinking water and power. The State Government has commandeered all its resources and directed its energies fully towards tackling the problems, caused by natural forces on the one hand and the man made difficulties created on the other, all for ensuring the well-being of the people.

3. Failure of monsoons both last year and this year has resulted in acute scarcity of water throughout the State both for drinking and agricultural

purposes. With the heavy concentration of population, the metropolitan city of Madras is the worst affected and the Government has been forced to take recourse to supply of drinking water on alternate days. To augment water supply to the city, 22 deep borewells have been drilled to supplement the ground water. A connecting pipeline for a length of 2.3 kilometres will also be laid for conveying water from Tamaraipakkam well fields to the conduit of Redhills. The total number of tubewells sunk in the city has now reached over 10,200. About 130 water lorries are constantly filling about 1,585 water steel tanks which have been erected mainly in the places inhabited by the weaker sections. A scheme for tapping underground water south of Thiruvanmiyur is to be taken up at a cost of about Rs. 3 crores. Since the water supply position in the city is undoubtedly grim, the Government is making all out efforts to mitigate the distress of the people. Similar relief measures to augment the drinking water supply have also been taken up in various towns, cities and villages in different parts of the State.

4. The failure of monsoons have severely affected the agricultural operations causing a steep fall in food production. If only the neighbouring State of Karnataka had released water in time and in adequate quantities, Thanjavur district, the granary of Tamil Nadu which normally escapes the clutches of a drought situation, would not have been severely affected as has happened now. But, in spite of the continuous requests from this Government, not much assistance was forthcoming from Karnataka in this regard.

5. The food situation is causing serious concern. Hon'ble Members are aware of the various efforts made by the Government to secure allocation of foodgrains from the Government of India. As mentioned in the Governor's address there has been no allocation of rice whatsoever to the State from June 1982 onwards. The Honourable Chief Minister recently visited Delhi to explain the situation in person to the Central Food and Agriculture Ministers and the Prime Minister. In order to cover the deficit, the State Government has been continuously requesting the Government of India to allot 80,000 M.T. of rice and 40,000 M.T. of wheat every month from the central pool. The State Government's efforts to procure rice through the Civil Supplies Corporations of the surplus states have been adversely affected because of Government of India. There is no clearance for import of rice from foreign countries, either. The traders and the Tamil Nadu Civil Supplies Corporation are forced to procure rice at a heavy price from the other States. Twenty kilograms of rice have to be supplied, to the one crore and seventeen lakh family card holders, every month at fair price, which is lower than even the price paid levy rice. About 17,000 M.T. of rice are required month for feeding the children and old age pe under the Nutritious Meal Programme. In th situation, the State Government has been try do with the rice secured through the levy maximum extent possible. It is expected t stocks will last only for one or two month Tamil Nadu, a part and parcel of Indi scarcity conditions in rice and whi ment is doing its utmost to solve

like to remind everybody that it is the responsibility of the Central Government to help the State with the necessary finances and adequate supply of foodgrains. But, it is a matter of regret that Tamil Nadu has not so far received any help or co-operation from the Centre, in this regard. The State Government hopes that as a result of the discussions, the Honourable Chief Minister had with the Prime Minister and Union Food Minister, the centre would come forward, at least now onwards, to solve problem of food shortage in a proper way as quickly as possible. But, in the meantime, the State Government has launched an intensive drive to procure foodgrains from all available sources in the country. Officers of the Tamil Nadu Civil Supplies Corporation have been sent to different States for purchase of foodgrains. I would like to assure the Honourable Members that the State Government on its part, is doing everything possible to keep the public distribution system going and also to provide enough foodgrains to the public in spite of the very heavy financial commitment the State has to undertake in this connection.

6. Yet another consequence of the failure of the monsoons is the imposition of a heavy power cut on various categories of consumers. As you are all aware, Tamil Nadu Electricity Board has been forced to impose a demand cut of 75 per cent and an energy cut of 60 per cent on H.T. industries. The grid at the moment has to rely entirely on thermal generation since hydel reservoirs, including Mettur, have been practically depleted. This has hit the industries, the agriculturists and other users very hard, causing a steep drop in production and

a heavy loss of revenue to the Government. Since the neighbouring States are also experiencing difficulties in the power sector, Tamil Nadu has not been able to get any power from them unlike in previous years. This has worsened the situation further. The position will improve only with the advent of the monsoons in the month of June. Till then, the State has to go through the ordeal of a power shortage.

7. I would strongly urge the Government of India to approve the new power projects proposed by the State and to ensure uninterrupted supply of adequate quantity of coal needed by the thermal units.

8. Some of the Honourable Members keep pointing out that State Government looks to centre for anything and everything. But Tamil Nadu Government has not been doing so. The Constitution and various rules governing the powers of the Central Government clearly indicate the areas, where the States have to approach the Centre and the State Government has been adopting this practice and in the absence of any response the State Government has perforce to turn to the Centre. Disputes arise between the States and Centre in the areas of governance, administration, law, justice, economic and allied issues. This Government has been, constantly stressing the need for autonomy of the States with adequate powers, without in anyway affecting national integration, so that the States and the Centre are brought together in a cordial relationship. Dominance of Central Government in exercising its authority with regard to concurrent subjects, the interference of the

Central Government in the State subjects, the undue interference of the Central Government to the extent of affecting the autonomy of the State Governments and reducing the taxation powers already enjoyed by the State Governments have compelled the States to be at the mercy of the Central Government. Reiterating the rights cannot be construed as a charge.

9. Perarignar Anna, on the 27th June 1967, when he replied to the general discussion in the Legislative Council, said as below :—

"The Centre has got a whip in its hands in the nature of grants, because the grants are given by the Centre at its discretion. The financial relationship, as far as the plan amount is concerned, is to be reviewed and reviewed urgently so that we should not be robbed of what is our due .... the relationship between the State and the Centre should be reviewed."

10. On the 17th June 1967 when presenting the Budget to the Legislature, he observed thus—

"The powers which the Central Government have assumed in regard to mobilisation, allocation and pattern of utilisation of resources for the Plan have reduced the States to the status of suppliants for aid from Centre. Though some may shrink from discussing this issue on account of party discipline, all those who have looked at this problem from the purely economic angle, have expressed regret at these trends in financial relationship between Centre and State. Many Chiefs of State

Governments have recognised that State Governments cannot discharge their responsibilities in meeting the growing aspirations of the people for a new way of life, unless the resource base of the States is considerably strengthened by giving them access to growing sources of revenue and by allocating the Plan resources on an agreed basis leaving the States with complete freedom to utilise them according to their judgment."

It should be understood by one and all, that the time has come and come urgently too and with emphasis—none can minimise that the time has now come—when the State—Centre relationship should be reorganised on a more stable basis.

The Drought Situation

11. The State Government, has so far authorised an expenditure of Rs. 45·63 crores to combat the adverse seasonal conditions. Thousands of borewells have been installed by the Tamil Nadu Water Supply and Drainage Board (TWAD) in the rural and municipal areas from August 1982 onwards. Simultaneously, deepening of public drinking-water wells has been started. Labour intensive works have been undertaken to provide employment opportunities to the villagers. The authorised expenditure mentioned above would include Rs. 7·50 crores of loan sanctioned by Government to the primary land development banks for sinking 5,000 filter point tube wells, in Thanjavur district which will go a long way to stablise agricultural operations in the future

years also. Work has been initiated on the construction of separate feeder lines for water-supply works in municipalities, town panchayats and village panchayats. Programmes are also being taken up in the districts for improvement of major and minor irrigation sources, formation of new roads, etc. Government will not hesitate to spend whatever money is required to alleviate the sufferings of the people.

12. In spite of all the difficulties that the State has been experiencing over a period of time as explained above, considerable progress has been registered in different spheres of activity.

Agriculture

13. This is the most important sector in the State's economy. The Government has taken special measures for the development of agriculture through provision of extension facilities, better marketing and storage facilities, supply of improved quality seeds, etc. The Government has made the maximum use of the assistance from Government of India for the construction of 89 rural godowns with 1,000 M.T. capacity each. This will help the farmers to get a higher price for their produce as they can market them at a time which is most advantageous to them. Two seed processing units at an estimated cost of Rs. 24 lakhs will be started during the next financial year as it is very essential that quality seeds are produced and distributed to the agriculturists. The agricultural engineering department has been actively associated with the development and dissemination of

dry farming techniques in 212 micro watersheds covering a total area of 4 lakh hectares. The Tamil Nadu Co-operative Oilseeds Growers' Federation set up in 1981 has commenced its operations by procuring over 1,000 tonnes of groundnut from the farmers. The Coconut Development Board, Cochin has come forward to improve the irrigation facilities in the Government-run nurseries with a grant of Rs. 15 lakhs spread over three years from the current financial year. The State Directorate of Oilseeds has stepped up its activities in terms of procurement of quality seeds and it has programmed to cover 4 per cent of the area with improved seeds during the next financial year. Rs. 88·87 crores in all have been set apart for the Agriculture sector in 1983–84.

Animal Husbandry

14. The Government is keen to provide proper health coverage to the livestock population in the State through a network of well-established veterinary institutions. It is proposed to strengthen this sector by opening 25 new dispensaries and upgrading 3 dispensaries into veterinary hospitals and 2 veterinary hospitals into clinician centres at an estimated cost of Rs. 31.08 lakhs in the next financial year. With the assistance of Government of India, a frozen semen bank project costing Rs. 117·31 lakhs has been sanctioned for cross breeding of cattle with exotic dairy breeds and for improvement of the quality of the buffaloes. Under this project, 7 lakhs of breedable cattle and buffaloes would be covered. A provision of Rs. 9·64 lakhs has been made, in the Budget, during the next financial year for starting an animal disease intelligence unit

for the identification of diseases in the livestock population which would enable the department to take preventive action. A programme for intensive health cover under sheep development in Chengalpattu and Dharmapuri districts will be introduced in the next financial year at an estimated cost of Rs. 17·40 lakhs.

Dairy Development

15. In pursuance of the policy decision taken by the Government to have milk procurement entrusted only to milk co-operatives, a three tier system of primary societies at the village level, a union at the district level and a federation at the State level has been set up. The new societies are organised on the "Anand" pattern. All the existing milk supply societies are being converted to milk producers' societies. 500 new milk producers' co-operative societies will be set up during 1983-84. A chilling centre capable of handling 10,000 litres of milk per day will be started at Pattukkottai during the next financial year at an estimated cost of Rs. 19 lakhs. Under the Hill Area Development Programme, a sum of Rs. 55 lakhs has been sanctioned during the current year for establishing a dairy unit at Uthagamandalam. The work relating to the setting up of the feeder balancing dairy at Krishnagiri, to handle one lakh litres of milk is in the final stage.

Co-operation

16. In spite of the continued overdue position of co-operative loans, the co-operative institutions in the State have extended credit facilities to the agriculturists and

others to the extent possible, subject to the rules governing the issue of such loans. As against Rs. 4.76 crores, and Rs. 5.50 crores issued as long-term co-operative loans by the primary land development banks in 1980–81 and 1981–82, respectively, upto December 1982 the loans issued in 1982–83 amount to Rs. 10.50 crores. The primary agricultural services co-operative societies have also given Rs. 53·64 crores as short-term loans and Rs. 10·36 crores as medium term loans upto December 1982. The credit co-operatives continue to strive to improve the economic standard of living of the weaker sections. About sixty-four per cent of short-term and medium-term loans issued are for the weaker sections. It is significant to note that the share of the weaker sections in medium-term loans issued for undertaking subsidiary occupations like dairying, sheep rearing, etc. is as much as 98 per cent of the total loans issued. Loans at the concessional rate of interest of four per cent are given to weaker sections engaged in small scale and cottage industries included in the list approved by the Reserve Bank of India. These concessional rates are also extended to LAMP co-operative societies.

17. The co-operatives are running 11,159 village-level fair price shops and they handled business to the tune of Rs. 85 crores during 1981–82. The sales turnover by all consumer co-operatives including wholesale stores in the State has gone up to Rs. 211 crores during 1981–82. The scheme to cover one lakh families of agriculturists belonging to Adi Dravidar communities by enrolling one member from each family in a service co-operative society to enable them to avail themselves of the credit and other

services rendered by these societies, is being continued. Under this scheme, 20,000 agriculturists would be enrolled during the next financial year at an estimated cost of Rs. 20 lakhs. During 1983–84, four wholesale co-operative stores will be assisted for setting up of quality testing laboratories to ensure that the consumers get good quality foodgrains, oil, etc. Assistance will be provided by the Government during 1983–84 for the construction of 200 rural godowns and five marketing godowns with a total capacity of 25,000 tonnes.

Fisheries

18. Various schemes for the development of fisheries are under execution. To provide infrastructural facilities, the State Government has forwarded a proposal for the development of a landing jetty at Thondi in Ramanathapuram district involving an outlay of Rs. 41 lakhs. This has been cleared by the Government of India and the work will commence shortly. The Government has also approved the proposal of Tamil Nadu Fisheries Development Corporation to establish, along with Southern Petro Chemical Industries Corporation Limited (SPIC), a company in the joint sector for the manufacture and marketing of cultured pearls. The estimated cost of this project will be Rs. 40 lakhs and it will involve collection of pearl oysters, culturing and marketing of the pearls. The Government is also assisting the Fisheries Development Corporation with a share capital of Rs. 20 lakhs for the installation of an ice plant in Madras fishing harbour in the next financial year. In order to improve fresh water

fisheries, Rs. 24·70 lakhs has been set apart in the next financial year to carry out repairs to certain dams and ponds.

Forests

19. The SIDA—assisted Social Forestry scheme, started in April 1981, continues to be implemented vigorously. A sum of Rs. 8·47 crores has been allotted for this scheme in the next financial year. To protect forest wealth from illicit cutting and to prevent unauthorised movements, the existing check post system is being further strengthened by the addition of 18 more check posts at inter-State road junctions, at a cost of over Rs. 13 lakhs during 1983–84. In order to make children aware, even from their young age, of the importance of forest wealth and the need to preserve wild life, the Government has decided to supply books on wild life and on nature conservation to school children. In addition, a colour film on wild life sanctuaries, will be taken for exhibition in schools. A programme to take children to wild life sanctuaries will also be initiated in the next financial year.

20. The Tamil Nadu Tea Plantation Corporation has recently started exporting its own tea. It has so far exported over 45,000 kilogrammes of tea valued at Rs. 9·40 lakhs.

Irrigation

21. During the current financial year six new medium irrigation schemes, viz., Golwarpatti Reservoir Scheme, (Rs. 597 lakhs) Anaikuttam Reservoir Scheme (Rs. 276 lakhs), Anaimaduvu Reservoir Scheme (Rs. 554 lakhs),

Kudhiraiyar Reservoir Scheme (Rs. 406 lakhs), Kariakoil Reservoir Scheme (Rs. 576 lakhs), and Sothuparai Reservoir Scheme (Rs. 791 lakhs) have been sanctioned, to irrigate an additional area of about 11,656 ha. besides bridging a gap of 144 ha. and stabilising an extent of 1,766 ha. of wet ayacut. The additional food production is expected to be 31,250 MT. In addition, 8 new minor irrigation schemes have also been sanctioned during the current financial year benefiting new areas of 330 ha. During the next financial year 30 minor irrigation schemes are targetted for completion which will benefit an additional area of 2,530 ha.

22. The modernisation of Periyar-Vaigai System which is being implemented with World Bank aid is progressing satisfactorily. For the next financial year, Rs. 10·50 crores has been provided and the project is expected to be completed by 1984. A fresh provision of Rs. 5 crores has been made for taking up the second phase of Periyar-Vaigai Modernisation Scheme, in the next financial year. The allocation for the Irrigation and Flood control sector, amounts to Rs. 105·16 crores in the next financial year.

Power

23. The power sector enjoys top priority in the allocation of funds under the plan programme. Over 30 per cent of the States Sixth Plan Outlay is on the power programme. The Union Planning Commission has approved Rs. 272·42 crores for the power sector during the next financial year. This is a little over 30 per cent of the total plan outlay for the next financial year.

24. The State has the distinction of leading all the other States in the country in respect of energisation of agricultural pumpsets. As on 31st December 1982, the number stood at 9·6 lakhs. During the current financial year, 52,564 huts have been electrified so far, bringing the cumulative total to over 5 lakhs. During the current year up to 31st December 1982, 17 hamlets and 16 villages have been electrified leaving a balance of 353 hamlets and 108 villages still to be electrified. It is expected that they will be covered by the end of 1984–85.

25. Work is in progress in the major power projects like Servalar (20 MW), Lower Mettur (120 MW), Kadamparai (400 MW), Kundah V additional unit (20 MW), Parsons Valley (30 MW), Mettur Thermal (420 MW) and three micro hydel projects (16 MW) at Pykkara, Lower Bhavani and Vaigai dams.

26. The Thermal generation in the State is expected to go up from 3,374 mu. in 1981–82 to about 4,160 mu. during the current year and to 5,000 mu. in the next financial year.

27. Tamil Nadu Electricity Board has run into serious financial difficulties due to low tariff charges, increased maintenance cost and due to escalation in the cost of implementing the projects. The increase in the cost of coal and oil has further worsened the situation. The recent announcement by the Government of India raising the railway freight and the diesel prices will further add to the cost escalation. Ocean freight and the handling charges for coal have also gone up considerably in recent times. The total impact of all these factors has caused

a tremendous financial strain on the Electricity Board. The State Government will be left absolutely with no alternative except to increase the electricity rates, to help the Board partly to bridge the growing gap between it's resources and expenditure.

28. For augmenting power generation some proposals like Mettur Extension (420 MW), Tuticorin Extension (710 MW), North Madras (1050 MW), etc., have also been sent to the Government of India. Central Electricity Authority has cleared the Mettur Extension Project. But even this needs further approval at different levels at the centre. For the other projects, no clearance has been received so far.

Industrial Development

29. It is the policy of the Government to bring in rapid industrialisation of the State by providing infra-structural facilities and by extending assistance for the establishment of industries at all levels—major, medium, minor, village, cottage, etc. In this, various Governmental agencies have been taking an active part in their own respective spheres. For instance, the district industries centres have registered 12,253 small scale units so far during the current financial year, this would generate employment opportunities for 43,000 persons. Financial assistance to entrepreneurs from the banks and other sources made available through these district industries centres, during the current financial year, is of the order of Rs. 11·60 crores. Training schemes are also conducted by the district industries centres and about 15,000 persons have been covered.

30. Tamil Nadu Small Industries Development Corporation (SIDCO) is the main agency which has been entrusted with the responsibility of promoting small industries in the State. Assistance rendered by SIDCO, under the margin money scheme, to the sick industries amounts to about Rs. 15.37 lakhs during the current financial year. Interest free Sales Tax Loan amounting to Rs. 22.03 lakhs has been given. SIDCO also disburses central capital investment subsidy and the state capital investment subsidy and the L.T. power subsidy to the eligible industrial units. SIDCO, through various small scale industrial units, has organised manufacture of educational equipments supplied to the pre-school children under the Chief Minister's Nutritious Meal Programme and also the manufacture of tooth powder meant for free distribution. The Khadi and Village Industries Board has been rendering yeoman service by providing employment opportunities in rural areas. The Board has a programme to sell goods worth Rs. 76 crores during the current financial year and to generate additional employment opportunities for 33,000 persons. On account of the special efforts taken by the Board, khadi silk is being exported this year. The Board has drawn up an ambitious programme for production of polyvastra by establishing a processing unit.

31. In the major industries sector, Tamil Nadu Industrial Development Corporation (TIDCO) has been given the task of setting up projects both in the public and joint sectors. There are a number of major projects under implementation. A Steel re-rolling mill is under

erection at Arkonam at a cost of Rs. 7 crores. TIDCO has taken up the work of establishing an Explosives plant in Katpadi taluk at an estimated cost of Rs. 19 crores. The Tuticorin Alkali Chemicals and Fertilisers Limited, a joint sector project of TIDCO, set up at a cost of Rs. 60 crores, has started producing Soda Ash and Ammonium Chloride during the current financial year. TIDCO is also processing other new projects.

32. Tamil Nadu Minerals Limited (TAMIN), a public sector undertaking of the State Government continues to live up to its reputation as a very efficiently run organisation. During the current financial year, the Corporation expects to earn an operating profit of Rs. 35 lakhs. This is the 4th year in succession that this organisation is making a profit. After having achieved a sales turnover of Rs. 98 lakhs in 1981–82 it anticipates a turn over of Rs. 150 lakhs in 1982–83 with a target of Rs. 200 lakhs for the next financial year. Ninety per cent of the turnover will earn foreign exchange. This Corporation has a programme of establishing a 100 per cent export-oriented granite polishing unit in Manali near Madras, at a cost of Rs. 393 lakhs. Utilising the graphite deposits of Sivaganga, the Corporation has also programmed to set up a beneficiation-*cum*-crucible manufacturing plant at a total cost of Rs. 258 lakhs. The setting up of the beneficiation plant will commence during the first half of 1983–84. The manufacture of graphite crucibles which requires import of sophisticated technology will be taken up subsequently.

33. Small Industries Promotion Corporation of Tamil Nadu (SIPCOT) is one of the Governmental agencies through which financial assistance is given to industries. During the current financial year, till 31st January 1983, SIPCOT has sanctioned assistance to the tune of Rs. 22·41 crores and it is expected to reach a figure of Rs. 25 crores by the end of the financial year. The work relating to the establishment of industrial estates by SIPCOT is in full swing.

34. The Government of India have issued letters of intent to Tiruttani Co-operative Sugar Mills project and to Ponni Sugars and Chemicals Limited for establishing a 1250 T.C.D. sugar mill in the co-operative and private sectors respectively. The work relating to Tiruttani Co-operative Sugar Mill has been started.

35. In spite of the serious efforts taken by the Government of Tamil Nadu for promoting industries the response from Government of India has not been encouraging. In the year 1981, the Industries Department of the State Government had recommended 92 applications for grant of letters of intent/licences and in 1982, 188 were recommended. The Government of India granted only 39 letters of intent/licences for 1981 as against 37 for 1982. I hope that the Government of India will adopt a more sympathetic and practical approach at least in future while examining proposals received from the State Government.

36. Marked attention has been paid to sericulture during the past few years as sericulture has good employment potential in rural areas. During 1983-84, it is

proposed to extend the area under mulberry cultivation by another 8,000 acres bringing the total acreage under mulberry to around 63,000 acres. At present there are 36 silk reeling industrial co-operative societies. It has been decided to set up 5 more such co-operatives during the next financial year. At the moment there are 65 village level community chawkie reeling centres in Tamil Nadu. It has now been programmed to establish 50 more such centres during 1983–84.

37. The programme of rearing of bivoltine silk worms was introduced in the State in 1981–82. During 1983–84 a bivoltine demonstration-*cum*-training unit is likely to be set up at a total cost of Rs. 10·68 lakhs. Two co-operative societies exclusively for women have been started, one for spinning silk waste and the other for selling silk ericut cocoons in the rural areas of Salem District.

Handloom

38. There are 30·21 lakhs handlooms in India of which 5·56 lakhs are functioning in Tamil Nadu providing direct employment to 13·34 lakh persons. The State Government has taken a policy decision to liberate handloom weavers from the clutches of master weavers, by admitting them to the Co-operative Societies and by providing them with continuous work and other benefits under the various handloom development schemes implemented by the Government. The twin objectives of providing continuous

employment to handloom weavers and of ensuring assured steady income to them are sought to be achieved through the following schemes:—

(i) *Supply of inputs.*—To meet the increasing demand for yarn in the co-operative sector, 5 co-operative spinning mills have recently been registered and necessary follow up action is being taken to set up these mills at a capital cost of Rs. 30·15 crores. In addition, the existing co-operative spinning mills at Salem and Vellore are also implementing the programme of expansion of their capacities by another 12,500 spindles each, which is expected to be completed by June of this year. The above programmes of setting up of new mills and expansion of the existing mills, will create an additional employment potential for about 3,000 persons.

(ii) *Co-operative coverage.*—Out of the total 5·56 lakhs handlooms in the State, 3·24 lakhs have so far been organised into 1418 primary weavers' co-operative societies. The State is aiming at a target of 67 per cent co-operative coverage by the end of the sixth plan period. The provision of common work sheds for the benefit of loomless weavers is the highlight of the scheme of co-operative coverage programme. Under the scheme it is proposed to organise 22 new industrial weavers' co-operative societies during 1983–84 with common work sheds and 2 of these societies are exclusively meant for the benefit of 200 Adi Dravidar weavers.

(iii) *Liberation of Handloom Weavers.*—A field survey conducted by the officials of the department assessed that about 54,000 handloom weavers in 104 villages would

require financial assistance to the extent of Rs. 2,000 each, to enable them to be released from dependence on master weavers. Commercial banks have been persuaded to provide loans for this purpose at four per cent interest rate. It is expected that with these measures about 10,000 indebted weavers in the private sector will be weaned away from the master weavers and brought into the co-operative fold during the current financial year.

(iv) *Marketing support.*—The Government has been providing marketing support to the primary handloom societies through Co-optex in a big way. The turnover of Co-optex in 1981-82 was Rs. 70 crores and it is expected to be of the order of Rs. 100 crores in 1982-83.

(v) *Production Finance.*—NABARD has provided Rs. 40.91 crores as concessional finance towards working capital of the primary handloom weavers' co-operatives in Tamil Nadu for the year 1982-83.

(vi) *Weavers Housing Scheme.*—With financial assistance from Housing and Urban Development Corporation (HUDCO) and the State Government, it is proposed to construct 5,000 houses before the end of Sixth Plan period for the weavers who are members of the Weavers' Co-operative Societies.

Housing and Urban Development

39. The housing activities of the State Government are implemented essentially through the Tamil Nadu Slum Clearance Board and the Tamil Nadu Housing Board. A comprehensive programme of slum improvement with World Bank aid is now being implemented

under Madras Urban Development Project-II. Around 12,000 families will benefit under this programme during the current financial year with a financial outlay of Rs. 250 lakhs. During 1983-84 the investment will be stepped up to Rs. 450 lakhs. The World Bank aided scheme also visualises a programme for providing sites and services to the economically weaker sections of the society and it is expected that over 10,000 units at Mogappair costing Rs. 1,608.40 lakhs will be developed. Another scheme for sites and services, costing Rs. 771.40 lakhs, with 5,034 units will come up at Nerkundram.

40. Under the Rural Housing Scheme 40,000 houses will be constructed during the current financial year. The target of 2 lakh houses in the Sixth Plan period is easy of achievement considering the progress made so far.

41. The allocation for the construction of Government Servants' rental quarters has been stepped up to Rs. 6 crores during 1983-84, from the level of Rs. 3·50 crores in the current financial year. This will benefit the Government servants considerably.

Roads, Transport and Ports

42. Operationally speaking the performance of the Transport Corporations continues to be quite good and most of them are likely to end the current financial year with profits.

43. Pattukkottai Azhagiri Transport Corporation has come into existence with effect from 1st December 1982. The other three new Corporations, viz., Jeeva Transport

Corporation at Erode, Nesamani Transport Corporation at Nagerkoil and Maruthu Pandiyar Transport Corporation at Karaikudi will begin to function independently from April 1983. The second unit of Cholan Roadways Corporation now functioning in Tiruchirappalli will start operating as a separate Corporation during the next financial year.

44. The rich and varied experience gained in the operation of a large fleet of passenger services has prompted the Government to set up a separate consultancy organisation. The Pallavan Transport Consultancy Corporation will start functioning shortly in order to provide consultancy service in the field of bus transport technology not only to other States in India but to other developing countries also. Even while functioning as a part of the Pallavan Transport Corporation, the consultancy wing has undertaken studies in the transport field on requests from within the country and abroad.

45. Though the Transport Corporations have been performing extremely well, the recent hike in diesel prices announced by the Government of India with effect from 15th February 1983 is likely to cause an additional expenditure to the tune of about Rs. 9 crores in a year. The Corporations will continue to take every effort to keep their performance standards high.

46. The significance of the development of road and road-transport system in the overall socio-economic development of the State cannot be over-emphasised. Since 80 per cent of our people live in villages, the

development of rural roads has been given great importance during the Fifth and Sixth Plan periods and improvement to rural roads has been taken up in a phased manner. Under the Rural roads scheme and the bus route take over scheme, 500 Km. of rural roads would be improved in the current financial year at a cost of Rs. 10 crores and this would benefit 4·50 lakh people living in 320 villages. About 8103 Km. of roads are expected to be improved till the end of the current financial year, under the bus route take over scheme, at a cost of Rs. 29 crores. This would benefit 41·34 lakhs of people living in 4052 villages. The Highways Research Station which completed 25 years of useful functioning by November 1982 has on hand a number of studies connected with the road system.

47. Development of intermediate and minor ports is engaging the attention of Government. Infrastructural facilities at Cuddalore port are proposed to be improved in the next financial year. Development of Colachel Port and the establishment of minor port at Valinokkam for the export of salt is also proposed to be taken up in the next financial year.

Government Data Centre

48. At present, the computer in Government Data Centre is old and out-dated. It has become necessary to replace it by a modern, sophisticated equipment. A provision of Rupees one crore has been made in the Budget during the next financial year for the purchase of a new computer.

49. It is proposed to store data relating to all development activities in the State in the computer of the statistics department and provide microprocessor outlets in the Secretariat to facilitate instantaneous retrieval of data whenever required in the Secretariat.

Rural Development and Self Sufficiency Scheme

50. The Self Sufficiency Scheme in rural areas which was started in 1980–81 will be completed by the end of this financial year. The results of this programme which has been under implementation for three years now have been very encouraging. It has been estimated that assets worth nearly Rs. 200 crores have been created resulting in an overall economic development of the neglected rural sector. This Scheme with some changes, has been extended to the Town Panchayats in the current financial year. During the first phase, 146 town panchayats are being covered with a provision of Rs. 5 crores. The programme will be extended during the next financial year with an outlay of Rs. 10 crores.

51. Providing drinking water is a part of the overall development programme of the Government of Tamil Nadu and is also one of the components of the Twenty Point Programme. The State Government organised a survey some years ago and classified rural habitations according to their drinking water needs taking into account the availability of water-supply sources near the habitations. Based on this study, water-supply programmes have been undertaken in the rural areas. A provision of Rs. 43 crores has been made during current financial year. This will be raised to Rs. 60 crores in the next

financial year. It is expected that about Rs. 224 crores will be spent on rural water-supply during the sixth plan period.

52. The National Rural Employment Programme has provided considerable employment opportunities to the unskilled rural workers and has also created durable community assets worth Rs. 34·52 crores. During 1982–83, a cash grant of Rs. 2076·25 lakhs in addition to 14,890 tonnes of rice has been allotted under this programme. The Outlay for this programme in 1983–84 will be Rs. 32 crores.

53. The Integrated Rural Development Programme, essentially a poverty alleviation programme aims at an annual coverage of 600 families per block living below the poverty line. Different packages of assistance are being given to these families with credit linked subsidy. The allocation per block is Rs. 8 lakhs for 1982–83. Till January end Rs. 22·7 crores has been spent in assisting nearly 1,87,000 families, as against the target of 2,25,600. As much as 36 per cent of the beneficiaries are Adi Dravidars and 30 per cent of the beneficiaries are women. The national scheme of training of rural youth for self-employment (TRYSEM) forms part of IRDP. Under the scheme so far 26,292 youth completed their training and 23,778 are undergoing training, Rs. 4·5 crores have been spent on the training. 5821 youth have set up self-employment projects under the scheme. Infrastructure programmes have been sanctioned to develop facilities for the successful implementation of individual beneficiary programme under IRDP.

54. The Scheme for provision of public conveniences for women in rural areas drawn up at a cost of Rs. 22·56 crores will be completed in the next financial year.

55. The National Project for Bio-gas development is being implemented in this State. Till the end of January 2,384 units have been commissioned. This Central Sector Scheme has a target of 8,000 plants for Tamil Nadu next year.

One Job for Each Family

56. Mention has been made about One Job Per Family in the Governor's address earlier this year. The details of the programme are being worked out and Rs. 15 crores is expected to be spent during the next financial year for implementation of the scheme.

Tourism

57. Tamil Nadu has a tremendous potential for development of tourism. But, unfortunately, this has not been fully tapped because of lack of adequate information and publicity programmes in the rest of India and in different countries. It is generally felt that the Government of India is not giving enough importance for the promotion of tourism in the southern states. As a result of this, tourist inflow to Tamil Nadu is far less than what it ought to be. The State Government has taken up this issue of giving wide publicity, with the Government of India, on various occasions. The State Government, on its part, will be opening new information

centres in major cities like Calcutta and strengthening the unit now operating in Delhi. Through production and supply of brochures, folders and release of advertisements, the Government hopes to attract a bigger number of tourists, in future.

58. A scheme for the development of excursion centres in each district to encourage youth and budget tourists, is being taken up for implementation by the Government. During the next financial year, Rs. 10 lakhs have been ear-marked for the development of such centres. The Tamil Nadu Tourism Development Corporation is playing a significant role in providing necessary facilities for the tourists. It runs youth hostels, hotels, motels, beach resorts, etc. The Corporation proposes to take up the construction of additional cottages in Mamallapuram, Rameswaram and Pitchavaram during 1983–84. Two youth hostels, one at Madras and another at Tiruchirappalli and a motel at Tiruttani, will also be constructed during the next financial year. The Corporation's financial turn-over which was around Rs. 119.87 lakhs during 1979–80 has gone up to Rs. 215 lakhs in 1981–82. This has become possible essentially due to the support given by the State Government to the Corporation.

Tamil Arts and Culture

59. It has been the avowed policy of the Government to highlight the glorious heritage of Tamils and their arts and culture which reveal intellectual refinement and aesthetic excellence. The work of reprinting of 'Nattiya Nannool', a collection of valuable dance lyrics by Gangaimuthu Pillai and 'Mathankachoolamani', a comparative

study of Tamil and English dramas written by Swami Vibulananda has been taken up. Under the scheme ' Gramakalanjiyam ' the compilation of facts and materials relating to the cultural heritage of Chengalpattu, Tirunelveli, Madurai and Ramanathapuram Districts, has been taken up and will be published after a careful scrutiny. Selected songs from Thevaram and Thiruvasakam, folk songs reflecting the rich nuances and variety of music, have been recorded in cassets for propagation/preservation. The centenary celebration of Mahakavi Bharathiyar was also marked by the recording of his musical lyrics, rendered as a recital by a well-known musician and musicologist. Such recorded cassets have already been sent to various Tamil Sangams in India and abroad. An art festival for the preservation, enrichment and popularisation of folk arts, is proposed to be conducted in Madras. A publication of multi-coloured photographs of famous sculptures as depicted in the temples will be brought out during the next financial year.

60. In addition to the above schemes, a cultural museum is proposed to be set up and rare art pieces, coins, vessels, etc. used by ancient Tamils, will be collected and exhibited. Flowers and plants mentioned in Sangam literature will be grown in a Herbarium which is expected to be started during the next financial year. A series of short documentary films on particular instances revealing the patronage extended by ancient Tamil Kings to men of letters, musicians, painters and other artistes, will be produced.

61. In the field of performing arts, the Government has decided to establish district arts councils with a view to identify talented but neglected artistes and to patronise their work by providing facilities for arranging their works in exhibitions.

Education

62. It is a matter for great satisfaction to the Government that a major portion of the State's Budget is spent in the field of education. Expenditure under this head has been showing a continuous increase during the last few years. The State has achieved a good record on enrolment of boys and girls in the age group 6—14. In the current financial year, 2·63 lakhs of pupils were additionally enrolled and this has been essentially due to the introduction of Chief Minister's Nutritious Meal Programme. To meet the teaching requirements resulting from the increase in enrolment, it is proposed to sanction a large number of posts of teachers in the next financial year. This includes 1250 posts of secondary grade teachers, 150 posts of Tamil Pandits, 100 posts of physical education teachers for middle schools and high schools, 200 posts of B.Ed. grade teachers and 50 posts of physical education teachers for higher secondary schools. In addition, 100 posts of part-time craft teachers in the middle schools will be upgraded into full-time posts in 1983–84.

63. Apart from opening of post literacy centres and non-formal education centres for the age group 6—14, the adult and non-formal education programme would get a further impetus during the next financial year with

a provision of Rs. 100 lakhs for opening additional adult education centres. About 20 per cent of these centres will be located in Adi-Dravidar colonies and they will be run exclusively for their benefit.

64. Compared to the current financial year, increased allocations for three new Universities at Thanjavur, Coimbatore and Tiruchirappalli have been made. A sum of Rs. 50 lakhs has been set apart for the opening of a Women's University at Kodaikanal during 1983–84. The report of the Expert Committee and the draft bill for establishing the Women's University have been received by the Government and they are under examination.

65. In accordance with the suggestion of the Bar Council of India, a five-year law course (5 years after passing the higher secondary course) will be introduced during 1983–84.

66. About 29 polytechnics have been started in the State in the period from 1979–80 to 1982–83. New courses on principles and servicing of television, diploma courses on paper and pulp technology, man-made fibre technology, electronics, painting, commercial arts, etc. will be introduced in various polytechnic institutions in the next financial year.

67. A sum of Rs. 359·79 crores has been set apart for the Education sector in the next financial year.

Health Services and Family Welfare

68. It is the accepted policy of the Government to make available to the people, health care facilities in the rural areas. With this objective in mind, the Government has embarked on a policy of opening additional

primary health centres and upgrading some of the existing ones. From the beginning of the Sixth Five-Year Plan period, 22 additional primary health centres have been opened. During the next financial year, it is proposed to open another 15 primary health centres. By the end of the next financial year, there will be 422 primary health centres as against 385 functioning as on 1st April 1980. Further, the existing facilities in some of the primary health centres are being upgraded so that they come very near to the standard of treatment and facilities available in Taluk hospitals. During 1983–84, it is proposed to provide operation theatre facilities in 12 primary health centres.

69. During 1983–84, a 50 bedded hospital at a cost of Rs. 40 lakhs will be constructed at Sathiamangalam. The Government has also taken a policy decision to sanction additional beds to Taluk hospitals so as to bring the bed strength to a minimum of 50. A major scheme to provide service for accident and emergency cases in all the districts has been started some years ago. The scheme is being extended to the districts in stages. During the current financial year two districts at a cost of Rs. 85·86 lakhs are being taken up. During the next financial year 2 additional districts will be covered.

70. During the current financial year the Government has sanctioned Rs. 417·21 lakhs for building programme intended for the improvement of medical colleges and teaching hospitals. During 1983–84 it is proposed to construct 2 hostels for women medical students. A new

Catheterisation laboratory for the Cardiology department of the Government General Hospital, Madras will be set up during 1983–84 at a cost of Rs. 60 lakhs.

71. The Siddha system of medicine continues to receive special encouragement from the Government. Siddha wings will be opened in 10 primary health centres in the next financial year. Provision has also been made for the purchase of rare Siddha manuscripts and for printing of textbooks by the Siddha Development Committee. Buildings for the post-graduate block, animal house, medicinal unit and Siddha research unit will be constructed in the Government Siddha medical college at Palayamkottai, at a total cost of about Rs. 35 lakhs.

72. Tamil Nadu has done extremely well in implementing the Family Welfare Programme during the last financial year. The State exceeded the target of 1,82,200 with an actual achievement of 1,88,828 sterilisations. For the current year the target has been raised to a high figure of 2,82,000. Every effort is being made to reach this target. During the current financial year Government have purchased 30 Laparoscopes at a cost of Rs. 9 lakhs. Operation by this equipment is speedier when compared to the conventional method and it has now become very popular in the State. This has helped to increase the coverage also. The Government expects to acquire some more Laparoscopes during the next financial year.

73. The allocation for the Medical and Public Health sectors in the next financial year amounts to Rs. 147·75 crores.

Social Welfare

74. The Government has been following a consistent policy of taking special care of Adi Dravidars and Backward Classes. During the last few years many measures have been taken to improve their living standards, by offering better educational facilities, increased employment opportunities, etc. The special component Plan for 1982–83 provides for an outlay of Rs. 105·85 crores to cover 1·60 lakhs of Adi Dravidar families. This is likely to be Rs. 119·56 crores to cover 1·80 lakh families during the next financial year. Under this programme, all departments pool in their efforts for the uplift of the Adi Dravidars socially, educationally and economically.

75. To help the Adi Dravidar students in their education, Government is constructing hostel buildings with all the amenities. At present 101 girl students' hostels have been sanctioned under the Centrally Sponsored Scheme. Under the State scheme, the Government has sanctioned construction of 65 Adi Dravidar students' hostels for which no Central assistance is being received. The policy regarding the provision of House-sites for Adi Dravidars and financial assistance for the construction of houses under the Rural Housing Scheme is being continued.

76. For the advancement of Backward Classes and denotified communities in the field of education, hostels are opened and maintained by the Backward Classes department. During the current financial year, Rs. 70·40 lakhs has been sanctioned for the completion of seven incomplete hostel buildings and for taking up the construction of a new building.

77. The State Government has constituted a Backward Classes Commission to enumerate and classify the backward classes in the State. The Commission is expected to send its report within a year.

78. Rs. 120·60 crores is the allocation in the next financial year for the sector of Social Welfare including Adi Dravidar and Backward Classes Welfare.

Revenue Administration

79. The scheme of assignment of house-sites to poor persons free of land value is being continued. Likewise, among the landless poor members belonging to Adi Dravidar Communities and Scheduled Tribes are given high priority in the assignment of cultivable waste lands. The surplus land notified under the Tamil Nadu Land Reforms Act is being distributed to the eligible persons. The updating of registry scheme which has been started during this financial year is expected to be completed during 1983-84.

80. Under the scheme of providing Office-*cum*-residential quarters for the Firka Revenue Inspectors Government has sanctioned 858 quarters so far. It has been proposed to sanction the construction of 100 quarters in the next financial year at an ultimate cost of Rs. 66 lakhs. New buildings will also be constructed during the next financial year for housing certain Taluk Offices and Revenue Divisional Office.

Labour

81. A climate of peace and harmony characterises the industrial relations scene in 1982. The number of man-days lost registered a significant fall from 41,24,021 man-days in 1981 to 18,05,978 man-days in 1982. The Government is particular that the rights and welfare of workers are, as far as possible, assured to them through progressive legislation. In pursuance of this policy several legislative measures have been undertaken for the benefit of the workers. The question of enacting a separate legislation for regulating the service conditions and promoting the welfare of the building and construction workers, is under consideration by the Government. In the light of the experience gained in the implementation of the Tamil Nadu Shops and Establishments Act, 1947, it has been decided to repeal and re-enact the above Act with suitable modifications. In the current financial year, minimum rates of wages have been revised for employment in woollen carpet making and shawl weaving industry and employment in cinemas, hotels, restaurants, etc. Minimum wages have been fixed for employment in the motion pictures industry and in the cashewnut industry.

82. With a view to provide deterrent punishment for offences under the Tamil Nadu Weights and Measures (Enforcement) Act, 1958, it is proposed to introduce a bill for amending the penal sections of the Act.

Police and Courts

83. The law and order situation during the current financial year has been, generally, satisfactory. Barring a few clashes in Kanniyakumari and Tirunelveli districts, there has been no serious communal disturbance.

84. The reorganisation of the metropolitan police force announced in the last Budget has been taken up for implementation during the current financial year. Additional police officers have been appointed. Necessary legislative measures to give effect to the proposal to extend the metropolitan police range will be introduced shortly. Special officers have been appointed for working out a detailed scheme for the introduction of the system of Commissioner of Police in Madurai and Coimbatore. To ensure the mobility of the Police force, replacement of old vehicles is being done in a systematic manner for which a sum of Rs. 1·93 crores has been provided in the current financial year. 32 new Police Stations and 1,200 new posts in various categories have been sanctioned during the current financial year. Substantial progress has been made in providing housing facilities for the Police personnel. 3,505 houses have been constructed for the Police lower subordinates and 524 for the upper subordinates. 2,445 barracks will also be completed by March, 1984. Under "Own your own house" scheme, 720 houses have been completed by the Tamil Nadu Police Housing Corporation.

85. Construction of law chambers at Erode, provision of water-supply and flush-out latrine facilities in a number of District Munsiff and Magistrate courts, construction of tiffin shed and waiting room in Namakkal, etc. are some of the schemes to be carried out in the next financial year.

20-Point Programme

86. The Prime Minister's new 20-Point Programme is under effective and vigorous implementation in this State. It is noteworthy to point out that our State has already exceeded the annual targets fixed by the Government of India under National Rural Employment Programme (Point No. 3), distribution of surplus land (Point No. 4), Scheduled Tribe families to be assisted (Point No. 7), allotment of house-sites (Point No. 9) and additional enrolment in Elementary Education (Point No. 16). The targets set under Point No. 6—Rehabilitation of Bonded labour and Point No. 15—Integrated Child Development Services have also been fully achieved. Under Point No. 14 (ii) (Setting up of primary health sub-centres), progress achieved has been commended by the Union Planning Commission. Tamil Nadu has been rated No. 1 among the States in the country in the implementation of the 20-Point Programme based on performance for the period April 1982 to January 1983.

Chief Minister's Nutritious Meal Programme

87. This scheme is being implemented very efficiently and it has evoked appreciation from all quarters for its successful functioning. Feeding about 65 lakhs of children every day in the year, throughout the State, is no mean achievement. From 15th January 1983 another about 2 lakhs of old age pensioners are benefiting from this scheme. Public participation in this programme through generous contributions is a matter of gratification for the Government. This scheme will continue to

be implemented with vigour and efficacy. During the next financial year, it is likely to cost about Rs. 134 crores. The co-operation in all respects of the public is necessary for the scheme to yield beneficial results.

Annual Plan

88. During the last few years Tamil Nadu has earned the reputation of implementing a Plan programme far in excess of the outlay finalised by the Union Planning Commission. During 1980–81, the first year of the Sixth Plan, the expenditure was Rs. 456·46 crores as against the approved outlay of Rs. 408·25 crores. During 1981–82, the Union Planning Commission had given approval for Rs. 514 crores while the actual expenditure is Rs. 619·54 crores which does not include an expenditure of Rs. 53·76 crores incurred on drought relief works. During the current financial year, the Plan approval is for Rs. 711 crores, but it is estimated that the expenditure may go up to Rs. 795·93 crores. For 1983–84, while the Planning Commission has cleared Rs. 845 crores, the present indications are that it might touch Rs. 893·46 crores, taking into account the ongoing plan schemes and fresh projects to be taken up during the next financial year. As in the previous years, Power sector gets the highest allocation of Rs. 272·42 crores representing over 30 per cent of the total outlay for the next financial year.

89. Allocations for other sectors during the next financial year are as follows:—

Agriculture and allied services including Co-operation will have Rs. 138·20 crores ; Sewerage and Water-Supply, Rs. 97·15 crores ; Housing and Urban Development, Rs. 74·98 crores ; Transport and Communications, Rs. 63·87 crores ; Irrigation and Flood Control, Rs. 61·76 crores ; Industries, Rs. 40·08 crores ; Education including Technical Education, Rs. 42·62 crores ; Medical and Public Health, Rs. 38 crores ; Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes, Rs. 22·61 crores. A token amount of Rs. 0·31 crores has been earmarked for energy planning programme and Rs. 41·46 crores for the remaining sectors.

Budget Performance

90. While presenting the Budget for the current financial year, care was taken to allocate adequate funds for plan and non-plan schemes. But, in the course of the year, there have been additional commitments which the Government had to fulfil, resulting in an extra expenditure of over Rs. 300 crores over the figure presented in the Budget. This has been essentially due to the expenditure on Chief Minister's Nutritious Meal Programme, on the construction of public conveniences, increased allocations for rural water supply, financial assistance to the Tamil Nadu Civil Supplies Corporation and extra outgo to the Education, Police and Roads sectors.

Financial Position

91. When the Budget was presented last year it was anticipated that we would close the year 1981–82 with a deficit of Rs. 17·77 crores. However, due to some

increased receipts from the Government of India at the end of the financial year and due to some improvements in the Public Account the year closed with a net surplus of Rs. 3·23 crores. In the Revised Estimates for the current year now presented, the revenue receipts have been put at Rs. 1681·98 crores and the expenditure at Rs. 1576·17 crores, the Revenue Account thus showing a surplus of Rs. 105·81 crores. The expenditure on Capital Account stands at Rs. 167·91 crores while the surplus under Public Debt has been put at Rs. 107·77 crores. The net under Loan expenditure is expected to be a deficit of Rs. 260·26 crores. The net effect of the transactions thus estimated is that there will be a deficit of Rs. 214·59 crores in the Consolidated Fund. This deficit is reduced to Rs. 92·25 crores after taking into account the surplus of Rs. 122·34 crores in the Public Account. Together with the opening surplus of Rs. 3·23 crores, the closing deficit for the current year gets further reduced to Rs. 89·02 crores.

92. The Budget Estimates for the year 1983–84 indicate a receipt of Rs. 1774·88 crores and an expenditure of Rs. 1653·81 crores leaving a surplus of Rs. 121·07 crores in the Revenue Account. The Capital expenditure for 1983–84 is likely to be Rs. 185·53 crores while the net revenue in public debt is expected to be Rs. 119·30 crores. Under the Loan account, there is a net outgo of Rs. 249·67 crores. All these transactions are expected to result in a net deficit of Rs. 194·83 crores in the Consolidated Fund. This negative balance is essentially due to the provision of transfer of Rs. 200 crores to the Tamil Nadu Electricity Board for its Plan programmes. The surplus in the

Public Account is likely to be Rs. 99·30 crores which would imply that the transactions for the next financial year would end with a deficit of Rs. 95·53 crores. With the financial year 1983–84 opening with a deficit of Rs. 89·02 crores, as indicated above, and the year's transactions resulting in a deficit of Rs. 95·53 crores, the closing deficit for the next financial year is expected to be Rs. 184·55 crores.

93. Honourable Members will appreciate that the State has to resort to certain fresh and additional taxation measures to bring down the huge gap between its resources and expenditure. They are as follows:—

(*a*) The Government intends to levy a tax of 2 per cent *ad valorem* on the entry, of 13 items of goods, mentioned below for use, consumption or sale in the Municipal Corporations and in the special and selection grade municipalities in the State. This tax is already in force in many States in the country. This will not cause any inconvenience to the trading community, as the levy will be on the basis of returns and not by collection at the entry point. The items which will come under the levy of entry tax are—

(i) Sugar,
(ii) Textiles,
(iii) Tobacco and it's products,
(iv) Cement,
(v) Petroleum products,
(vi) Vanaspathi,
(vii) Drugs and Medicines,
(viii) Paper and Cardboards,

(ix) Iron and Steel,

(x) Coal and coke including Leco,

(xi) Electrical Goods,

(xii) Automobiles,

(xiii) Ores.

(*b*) It is also proposed to levy a small advertisement tax of 30 paise per slide, per show, and 90 paise for short films of advertisements, per show, shown in cinema houses within the limits of Municipal Corporations and special grade, selection grade and first municipalities in the State.

(*c*) The rate of sales tax on the sales of motor cars and light diesel vehicles will be raised from 7 per cent to 9 per cent and 10 per cent to 12 per cent respectively as the existing rate is comparatively lower than that applicable in all the neighbouring States excepting Pondicherry.

94. Motor Vehicle Tax covers non-transport vehicles such as two wheelers, motor cars, jeeps, station wagons and school buses. It also covers transport vehicles such as stage carriages, contract carriages, goods vehicles and private transport vehicles. The rates of tax in respect of these vehicles have not been increased during the past few years. It is considered justifiable to increase the rates of taxes in respect of a few classes of vehicles. The following will be the revision of rates of motor vehicle tax :—

(i) Non-Transport Vehicles—

(*a*) Quarterly tax of Rs. 10 in respect of two wheelers below $3\frac{1}{2}$ horse power is proposed to be raised to Rs. 15.

(*b*) Quarterly tax of Rs. 15 in respect of two wheelers above $3\frac{1}{2}$ horse power is proposed to be raised to Rs. 20.

(*c*) Quarterly tax of Rs. 40 in respect of motor cars and jeeps weighing not more than 700 kg. unladen is proposed to be increased to Rs. 50.

(*d*) Quarterly tax of Rs. 50 in respect of motor cars and jeeps weighing 700 kg. to 1500 kg. unladen will be raised to Rs. 60.

(*e*) Quarterly tax of Rs. 60 in respect of motor cars and jeeps weighing 1500 kg. to 2000 kg. unladen will be raised to Rs. 75.

(*f*) Quarterly tax of Rs. 70 in respect of station wagon weighing 2000 kg. to 3000 kg. will be raised to Rs. 80.

(*g*) Quarterly tax of Rs. 90 in respect of station wagons weighing more than 3000 kg. will be raised to Rs. 100.

(ii) Transport Vehicles—

(*a*) Quarterly tax of Rs. 90 in respect of private transport vehicles owned by Industrial and other Establishments weighing more than 3000 kg. unladen will be raised to Rs. 150.

(*b*) Quarterly tax of Rs. 90 in respect of tourist taxis will be raised to Rs. 120.

(*c*) Quarterly tax of Rs. 115, per passenger, in respect of town services will be increased to Rs. 150, per passenger.

(*d*) Quarterly tax of Rs. 1,000 in respect of public carrier goods vehicles having PLW exceeding 9,000 kg. but not exceeding 12,000 kg. is proposed to be increased to Rs. 1100.

(e) Quarterly tax of Rs. 1,080 in respect of public carrier goods vehicles with a PLW over 12,000 kg. upto 13,000 kg. is proposed to be increased to Rs. 1100.

(*f*) Quarterly tax of Rs. 1,260 in respect of public carrier goods vehicles with PLW over 13,000 kg. upto 15,000 kg. is proposed to be increased to Rs. 1300.

(*g*) Quarterly tax of Rs. 1260 in respect of public carrier goods vehicles with PLW exceeding 15,000 kg. is proposed to be increased to Rs. 1300.

95. The Government, in spite of the difficult financial circumstances, proposes to give some relief essentially for the benefit of the poorer sections of the society and to those engaged in some rural industries. It is as follows :

(*a*) Exemption from sales tax on all varieties of kerosene lamps (other than gas lights and petromax lights) and their spare parts including wicks and glass chimneys. This will benefit the poorer sections residing in rural areas.

(*b*) Exemption from the levy of sales tax on all indigenous products of sericulture, namely silk worms (pupae), yarn silk including raw silk reeled in a filature, charkha or domestic basin, thrown silk and twisted silk, spun silk, silk waste, reeling cocoons and pierced cocoons. By this exemption, thousands of persons engaged in the silk weaving industry would be benefited.

(*c*) Exemption from levy of sales tax on silver anklets and waist-cords, mainly to help the thousands of workers engaged in this industry.

(*d*) Exemption from levy of sales tax on hand-made washing soaps and hand-made detergent cakes, for dealers with a turnover of less than Rs. 2 lakhs, so as to relieve the cottage industry of the burden of sales tax.

(*e*) Exemption from sales tax on tapioca thippi and cotton seed husk used as cattle feed, to benefit the agriculturists.

(*f*) Exemption from the levy of sales tax on subsequent sales of sago and tapioca starch purchased from the Salem District Starch and Sago Manufacturers Service Industrial Co-operative Society Limited so that this nascent industrial co-operative venture would get incentive for expansion of its business activities.

(*g*) Reduction of sales tax from 12 per cent to 9 per cent on tyres, tubes and flaps used for motor vehicles and trailers.

96. The above changes in sales tax and Motor Vehicle tax will be given effect to from 1st April 1983. Legislation for the abovementioned changes will be introduced, wherever necessary.

97. As a result of the changes suggested in the tax structure, the Government expects to get a revenue of about Rs. 26 crores in the next financial year, which will result in a net increase of resources by Rs. 25 crores after excluding the Rs. 1 crore which the Government would be losing because of the exemptions and reductions in rates of tax announced. Consequently the Budgetary gap at the end of the next financial year will come down to Rs. 159·55 crores as against the figure of Rs. 184·55 crores indicated earlier.

Sir,

98. Bearing in mind the progress of Tamil Nadu and the uplift of the people, I have underlined the important development schemes so far taken up as also the salient welfare measures to be undertaken during 1983-84.

99. I request the Hon'ble Members to go through the Budget proposals and offer their valuable and constructive suggestions and recommendations for the welfare of the State and its people and am sure that their well intended suggestions and recommendations would go a long way in helping the Government in its efforts to serve the people.

100. While I am sure that the Hon'ble Members will strive to maintain the democratic traditions of this august House and uphold its fame and name, I earnestly request the Hon'ble Members to extend their help and co-operation in executing the developmental schemes for the welfare of the people.

101. I offer my wholehearted thanks to the Finance Secretary Thiru K. J. M. Shetty and the officers and staff of the Finance and other departments who have helped me in preparing these Budget proposals.

102. Once again, I request the House to approve the Annual Financial Statement for the year 1983-84.

Vanakkam.

Madras, V. R. NEDUNCHEZHIYAN,
5th March 1983. *Minister for Finance*.
Masi 21, Thunthubi,
Thiruvalluvar Year—2014.